



MINUTES OF THE BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Violet Varona-Lukens, Executive Officer  
Clerk of the Board of Supervisors  
383 Kenneth Hahn Hall of Administration  
Los Angeles, California 90012

Chief Administrative Officer

At its meeting held January 4, 2005, the Board took the following action:

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The following item was called up for consideration:

The Chief Administrative Officer's recommendation to approve and instruct the Chair to sign amendment to the County of Los Angeles Workers' Compensation Medical and Disability Management and Cost Containment Services contracts, which authorizes provision of Medical Provider Networks formed from existing workers' compensation Preferred Provider Organizations established on behalf of the County by its medical management contractors, ComplQ Corp., CorVel Healthcare Corporation and Fair/saac Corporation, to improve the provision and quality of medical care and treatment of County employees injured while working.

Supervisor Molina made the following statement:

"The County spends hundreds of millions of dollars each year on disability-related benefits, including workers' compensation, benefits under State Labor Code 4850, and retirement benefits. Data has shown the number of Los Angeles County firefighters and Sheriff's employees retiring with Service-Connected Disability Retirement (SCDR) benefits is two to three times higher than other jurisdictions. These numbers make clear that major reform is needed in the County to prevent an unnecessary drain on our tax dollars.

"Numerous reforms have been identified and discussed in the County for several years; however, few have been implemented. For example, in 2000, the Chief Administrative Officer noted that the County's threshold to qualify for SCDR is more lenient than the City of Los Angeles' standard, and this remains the same today. I am concerned that such potential reforms are not a priority and have not been pursued aggressively. In order to continue to serve those individuals who rightfully deserve benefits, it is necessary to take all steps to implement any possible reforms and to eliminate fraud or abuse in this system."

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Therefore, on motion of Supervisor Molina, seconded by Supervisor Burke, unanimously carried, the Chief Administrative Officer's attached recommendations were approved and the Chief Administrative Officer was instructed to:

1. Work in conjunction with the Auditor-Controller and Los Angeles County Employees' Retirement Association (LACERA) on a case-by-case investigation of all current recipients of Service-Connected Disability Retirement (SCDR) benefits to identify whether or not any fraud or abuse of the system exists; to determine which benefits they are receiving and in what amount (including SCDR, workers' compensation, Labor Code 4850 and LACERA retirement benefits); and to help crystallize how all of these benefits are or can be coordinated;
2. Report back in 14 days with a timeline and methodology for compiling a case-by-case investigation; and
3. Include in the report requested on December 7, 2004, an action plan to determine why the rate of requesting these benefits is so much higher for County employees and what reforms can be implemented to improve our system; and specify the reforms that will be implemented with a timeline indicating the length of time for implementation.

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Attachment

Copies distributed:

Each Supervisor  
County Counsel  
Auditor-Controller

Letter sent to:

Chief Executive Officer, Los Angeles County  
Employees Retirement Association